

SUBSTANCE
OF THE
SPEECH
OF
JOHN BRUCE, ESQ., M.P.
IN THE
COMMITTEE OF THE HOUSE OF COMMONS,
ON THE
Resolutions
RESPECTING
INDIA AFFAIRS,
MAY 31, 1813.

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1813.



ON the 31st May 1813, on the Motion, in the Committee of the Whole House, that the First Resolution, respecting East-India Affairs, should be taken into consideration, Mr. Bruce introduced his observations on the subject, by stating, that his object was to submit to the consideration of the Committee, in the shortest practicable manner, the series of events, which had marked the progress and actual state of the East-India Company's affairs; leaving it to the unbiassed judgement of Members to draw, from facts only, such inferences as might enable them to form their opinions on this great national question.

If the arrangement of Indian affairs, at this crisis, led only to the abstract question, whether an open trade, or a regulated trade, would

be most for the advantage of the kingdom, little more could occur, than arguments leading to conclusions, upon which a speculative system of Indian affairs might be devised ; but if the question shall be allowed to assume its true character, whether British India, and the trade to the countries within the Company's limits, could be best preserved for the public advantage, by adhering to the system which now exists, with such modifications as could, in any way, consistently with the preservation of that system, meet the expectations of the numerous claimants for the open trade?—or, whether the existing system of Indian affairs shall be, at once, abandoned ? it would require, indeed, very serious reasons to support such a measure, and will impose an awful responsibility on those, who may devise or bring about such a political and commercial innovation. The following subjects, Mr. Bruce observed, would necessarily require attention, before any decision, founded on fact, or on experience, could be effected :—

1. *The successive Rights of the Company, in*
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the exercise of which they have acquired and administered the Indian Empire, and the commerce which has been inseparably connected with it.

2. *The Experience of more than two hundred years*, during which the commerce of Great-Britain, with the East-Indies, has been preserved to the realm, by means of *Exclusive Privileges*, notwithstanding a succession of attempts at partial, though not equally great changes with those which are projected.

3. An enumeration of the *Losses and Dangers in India, and to the China Trade*, which, he apprehended, a deviation from the existing system of Indian affairs might produce.

4. A short examination of the *Sources of the Applications for an Open Trade ; of the proposed Resolutions ; and of the Evidence* subsequently laid before the House by the Company.

Before entering upon any of these subjects, Mr. Bruce observed, that it was not his intention to enter into any discussion respecting monopolies, or whether the East-India system could be classed, by any man of sound sense, under that unpopular denomination; because, however acceptable this species of reasoning might be, to those who are accustomed to argue from hypothesis only, all that could be said on the subject, would, to men of experience and knowledge of Indian affairs, appear useless, and to those who were resolved to be the dupes of their own speculations, irrelevant.

He, therefore, proposed to limit the whole of the observations which he had to offer, to the subjects which he had enumerated.

In adverting to the *Rights* of the East-India Company, in the exercise of which they had acquired and administered the Indian Empire, and preserved a direct trade between England and the East-Indies, he shortly detailed the following series of facts.

The Company were constituted by Queen
Elizabeth

Elizabeth, a Body Politic and Corporate, with succession, with power to acquire and dispose of property in England, and to acquire by purchase, or by treaties with the Native Princes, such stations, within their limits, as might become factories or seats of trade. In explanation, he remarked, that this Charter, like a law, was perhaps better understood by referring to the events and circumstances under which it was granted, than by the mere letter of the charter itself.

The connection between England and the Seventeen Provinces of the Netherlands had existed for ages, and had been of commercial importance to both countries. When Charles V. reduced the whole of the Seventeen Provinces to his obedience, he allowed the Seven Northern Provinces to retain many of their civil rights ; and as, at this period, the reformed religion, of which the Queen was the avowed protector, had made considerable progress in those Provinces, she secretly encouraged the Protestants in the Netherlands, at the time that Philip

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II. was endeavouring to establish absolute power, and the Inquisition, in his Flemish dominions. These circumstances produced the Union of Utrecht, in 1579, and laid the foundation of the government of the States General of the United Provinces, which, under the direction of the first Prince of Orange, asserted and maintained the independence of the Dutch.

The territory which the Dutch possessed was narrow, and, with the exception of its natural maritime strength, afforded resources that were unequal to raise and to maintain a force sufficient to oppose the armies and fleets of Spain. The States, therefore, armed and equipped ships, which they sent to the East-Indies, partly with a view of making prizes from the Spanish-Portuguese fleets (Spain and Portugal being then united under the same sovereign) and partly with a view of finding resources from trade, by which they might defend the independence of their country in Europe.

The success of the Dutch, in this enterprize, was necessarily known to the English merchants,

chants, who formed, in London, *an Association of Merchant Adventurers for trade to the East-Indies*, and applied to the Queen for a Charter of Incorporation, that, by their equipments and trade, they might open a direct intercourse between England and the East-Indies.

With that cautious policy, which distinguished this wise sovereign, the Queen, (though induced to listen to the application of the Merchant Adventurers, from their desire to enlarge that maritime power by which she had preserved the independence of her crown against the Armada of Spain, in 1588,) required a report from them on the countries to which they proposed to trade, that she might not involve herself in contests with the maritime powers with which England was in alliance; and, after subjecting this report to the examination of the celebrated Fulke Greville, she granted the Charter to the London East-India Company, the terms of which have been mentioned;

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leaving thus to her country an example, that the grant of the Charter was founded on a previous and full examination of the facts and circumstances, which induced her to accede to the wishes of the Association which had solicited her protection.

The Queen, also, anxious for the encouragement of the commerce and navigation of her subjects, and, at the same time, willing to confer her protection on that portion of them who had advanced their property, and were about to adventure their lives, in the undertaking, granted them *Exclusive Privileges* of trade for fifteen years, that she might have opportunities to ascertain, by experience, whether the plan would tend to the benefit or advantage of the realm. Hence the rise of the distinction between the *Chartered Rights* of the Company, and their *Exclusive Privileges of trade*; the one making the Company a Corporation, with succession, the other conferring a temporary privilege, which the Crown

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was to continue or not, after a limited term, according as the measure might be found advantageous, or not, to the kingdom.

The result of this wise policy was not known when Queen Elizabeth died : and her successor, James I., had scarcely assumed the reins of government, when his narrow resources induced him to grant licences to Michelbourn and others, to try experiments in the East-India trade, in direct opposition to the existing privileges of the London Company, which he professed to support ; but the experience of a few years convinced the King, that the innovation was dangerous, as (putting the losses and sufferings of the London Company out of view, either of the few factories which had as yet been formed, or of their ships and property) it threatened the very existence of the direct trade between England and the East-Indies ; and therefore, in 1609, the King renewed the Charter of Queen Elizabeth, with more ample powers for acquiring new factories and possessions, and granted

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them the exclusive privileges of trade to the East-Indies “*for ever* ;” with the same reservation, however, as in their first Charter, “ that
 “ should this trade not be found profitable to
 “ the kingdom, it was to cease and determine
 “ after three years’ notice.”

The effect of this Charter was to produce additional subscriptions from the Adventurers, and larger equipments, which excited the jealousies of the Dutch, who, by this time, were subverting the Spanish-Portugueze power, and establishing their monopoly of the finer spices in the Banda and Molucca islands, and at Ceylon ; which led to those massacres, at Amboyna, &c. which had nearly overset all the rights that the London Company had either purchased or acquired ;—and it is memorable, that this Charter of 1609 was granted in the same year that the Truce of Antwerp was obtained by the Dutch, which indirectly recognized their independence ; and that the massacre at Amboyna took place nearly at the expiration of this truce, when the independence of the
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States General was recognized and established.

It is painful to look at the difficulties which the London Company had to meet, during the reign of the unfortunate Charles I. ; though it is only a simple reference to facts to mention, that, during this period, the Dutch power became predominant in the East-Indies, and that the King, from his want of resources, granted licences to his own subjects (Courten and others) to make encroachments on the Company's trade, and to form rival factories, at stations where it was supposed the Company had not established seats of trade. This Association, from not being under any regular direction at home, had nearly upset the connection between England and the few seats of trade which the London Company had acquired ; and, indeed, endangered their factories, from the then powerful empire of the Moguls, which embraced almost the whole of the coasts of the Peninsula of India ; while the consequences were, that

these Adventurers themselves experienced the calamities, which they had previously brought on the Cómpany's trade and servants; and hence, from temptations to return with some proportion of gain, they mingled their trade with piracy.

Amid the domestic calamities which overset the monarchy, the Usurper was fully aware of the importance of extending the navigation and commerce of the realm; but, having been raised to power, by the prevailing disposition to innovation, he, at length, listened to the speculations for an open trade to the East-Indies: yet, after an experiment of three years, he and his Council of State, after a full examination of the London Company's Governor and Committees, and of the Merchant Adventurers, decided, that the direct trade to the East-Indies could only be preserved to the realm by restoring their rights and exclusive privileges to the London East-India Company.

After the Restoration, while advantage was
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taken of the experience acquired by the extension of the navigation and commerce of the kingdom, during the Interregnum, the rights of the East-India Company were fully restored to them, and the attempt of forming a government and trade at Bombay (to take possession of which, as a settlement of the Crown, ceded by Portugal, as part of the dowry of the Queen, the Earl of Marlborough, and Sir Abraham Shipman were sent out with a naval and military armament) terminated in the King transferring the Island, such as it then was, to the London Company, to be held, not as a sovereignty, but as a freehold property, for a quit-rent payable to the Crown.

The King also subsequently granted to the Company, by Charter, in 1674, the island of St. Helena, in a similar manner: so that now the Company not only had two possessions equivalent to freeholds (Bombay and St. Helena) granted to them by the Crown, but by five successive Charters of Charles II., a confirmation
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of their rights to those settlements which they had purchased and acquired in the Peninsula of India ; and a right to embody and govern by martial law, the guards of their factories ;—and, by a Charter of King James II., in 1686, they were allowed to coin any species of money usually current in India.

The change of government, in 1688, produced two new events ; one on the revenue of the kingdom, and the other on the trade to the East-Indies. The revenues, which hitherto had been narrow, and not equal to maintain either the alliances, or the armies and fleets required to resist the general monarchy projected by Louis XIV., called for loans, to meet the permanent interest of which, taxes were imposed ; and thus was created what has, since that period, been termed the National Debt. The other change was, that as those loans could only be drawn from an enlargement of trade and navigation (for the plan of forming a Bank by the landed interest failed), demands were made on the

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the mercantile interest, in general, and on the East-India Company, in particular, for a proportion of those loans.

The Company offered seven hundred thousand pounds, at three per cent. ; but this sum not being equal to the wants of the State, a new Association of Merchants offered two millions, at eight per cent., which was accepted. The *General Society* was accordingly formed, which was to proceed on the plan of each stock-holder being entitled to trade, separately, according to the amount of his subscription. This project was only a cover to the scheme of subverting the London Company ; and what is memorable is, that it was conducted by their old servants, many of whom had returned to Europe, under feelings of disappointed ambition. In two days, however, after its establishment, the *General Society* applied for, and obtained a Charter, constituting them a new East-India Company, distinguished from the London Company, by having their Charter founded on an Act of Parliament, while the London Company had, hitherto, rested on grants from

from the Crown only. Experience, however, and a knowledge of the natives, favored the Old, and obstructed the New Company; while a conviction, in the Sovereign, and the result of experiments abroad, led the King to recommend an union of those rival Companies, the basis of which was settled, during his reign, and effected by the award of Lord Godolphin, early in the reign of Queen Anne, which formed the existing "*United Company of Merchants of England trading to the East-Indies.*"

From the Union of the two Companies in 1707-8, to the Peace of Aix-la-Chapelle, in 1748, the chartered rights of the United Company were successively recognized and extended, by a series of Acts of Parliament during the reigns of Queen Anne, George I., and George II; for by the Act, 10th Queen Anne (1713), it was enacted, that the exclusive privileges of trade to the East-Indies should be continued to the Company, till three years after the 25th March 1733; and by an Act, 3d George II. (1730), it was declared, that the Company should continue a Body Corporate,

Corporate with perpetual succession, with a right to trade to the East-Indies, in their corporate capacity, notwithstanding the redemption of their capital stock, and the determination of their exclusive privileges ; which exclusive privileges were, by this Act, farther renewed to the Company for thirty-three years, or till three years after the 25th March 1766.

This Act was farther confirmed by the 17th George II. (1744), when the Company's exclusive privileges were extended, for fourteen years longer, or to three years after 1780 ; they thus had their exclusive privileges uninterruptedly continued to them for fifty years, or from the 25th March 1733, to the 25th March 1783.

Several important events occurred, in the long period from the Union of the two Companies, to the Peace of Aix-la-Chapelle, which gave a new character to the situation of the United Company's possessions and trade, both in England, and in the East-Indies.

The French power and trade, in India, were rapidly increasing on the Coromandel Coast, while the events in the Peninsula of India, from

the fall of the Mogul and Marhatta empires, and from the death of the Nizam-ul-Muluk, led to the rise of lesser independent states, founded by military adventurers, who were considered, in England, as Native Princes. These events not only changed the relative situation of the Company with their foreign stations and trade, but began to hold out temptations to the rival European Companies, particularly the French Company, to acquire territory in India, and to expel the English from their factories and trade. Hence the Maritime Powers in Europe were forming stipulations, in treaties, suited to preserve the interests of their respective Companies, at a time when the political anarchy in Hindostan was not understood in Europe:—the rights of the Company, therefore, were considered to be important subjects of public interest, and their exclusive privileges of trade, the necessary means of enabling them to hold out against the encroachments of their European rivals.

The rights which the Company had acquired, by their former charters, to their factories or possessions,

possessions, were continued to them, from 1748 to 1763, and were extended and explained by successive grants, during this period, viz. to erect courts of judicature, to make distributions of prize-money, &c. The Company's factories, during this eventful period, which, hitherto, had been protected by small guards, were turned into military stations, and distinct armies formed, whose conquests on the Coromandel Coast, under General Lawrence and Colonel Eord, and, in Bengal, under the great Lord Clive, acquired what has, since that period, been termed "*British India*." Though the Company were assisted in making these conquests, by a small proportion of the King's forces (Adlercron's and Draper's regiments), yet those regiments were disbanded in India, at the Peace, and many of the officers and men embodied with the Company's troops.

The situation of the East-India Company's affairs, from 1763 to 1784, from the magnitude of their territorial acquisitions, soon after the Peace of 1763, became subjects of parliamentary inquiry and report. Exclusive privileges of
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trade

trade had been previously granted to them, by the Act 1744, up to March 25th 1783; but as an opinion prevailed, on the one hand, that the Public were entitled to a proportion of the revenues of the conquered provinces, and the Company, on the other hand, considered them as acquisitions which their armies, aided by the King's fleets, had obtained, it was agreed by the Act, 7th George III. (1767), that the Company should pay £400,000 per annum, for two years, to the Public, that they might be enabled to consolidate the government of the territories which their armies had acquired. In 1769, a similar agreement was made by the Act, 9th George III., by which the territorial acquisitions were to remain with the Company, for a farther term of five years, on paying to the Public the sum of £400,000 per annum.

In 1773, however, the Company, being under considerable pecuniary difficulties, were obliged to apply to Parliament for a loan of £1,400,000: and it was agreed, by the Act, 13th George III., that the Public should forego

forego their claim to any participation in the territorial revenues, till such time as this loan should be repaid, and the Bond Debt of the Company reduced to a specified sum.

The Company, in 1779, having fully repaid this loan, and reduced their Bond Debt to the specified sum, it was agreed, by the Act, 19th George III., that the territorial acquisitions should be continued to them for one year longer, or till the 5th April 1780, without paying any compensation to the Public ; and in this Act, the clause, "*saving the rights of the Crown, and of the Company,*" was first introduced. Previously to the expiration of this last Act, it was deemed expedient to continue the territorial acquisitions in the possession of the Company, for one year longer, or to the 5th April 1781, which was accordingly enacted by the Act, 20th George III. (1780); but no compensation was paid by the Company to the Public for the same.

The Company's exclusive privileges of trade, granted under the Act 1744, being at this time, nearly expired, they petitioned Parliament

liament for a renewal thereof; and having agreed to pay to the Public the sum of £400,000, in discharge of all claims in respect of the territorial acquisitions, up to the 1st March 1781, it was enacted by the Act, 21st George III. (1781), that the exclusive privileges of trade should be renewed to the Company, till March 1st 1794, and that the territorial acquisitions should remain with them during the same period, without making any additional payments to the Public for them. In this act, the clause is again introduced, *“that nothing therein contained should extend to prejudice or affect the rights or claims of the Public, or of the Company, respecting the said territorial acquisitions or revenues.”*

An important change, however, was introduced in 1784, and which has been continued to the present time, in the administration of the Company's domestic and foreign affairs; or allowing the administration, as well as the trade, to continue with the Courts of Directors and Proprietors, but constituting a Board

Board of Commissioners for the Affairs of India, with powers to superintend their *political*, *financial*, and *military* operations, and leaving the management of their commerce to the Directors, as the representatives of that body, whose property, or stock, under its various amounts, had created, preserved, and brought the East-India trade to its existing magnitude and importance.

The interests of the East-India Company, domestic and foreign, from 1784 to the present time, as far as regarded the mixed administration of their affairs, at home, by the Court of Directors, and by the Board of Commissioners, remained nearly in the same situation, till the passing of the Act, 1793, which, like the preceding Act, waved the question of the respective rights or claims of the Public, and of the Company, to the territorial acquisitions, and revenues, yet left them in possession of the Company. It is memorable, on this occasion, that the exclusive privileges of the Company, and the claims of those who wished to participate in the trade, were fully examined, before the resolutions
were

were formed, on which the Act was to proceed : —The claims from the Proprietors of Mines in Cornwall, from Exeter, from Manchester, &c. were sent by the President of the Board, to the Chairman, and explanations received from the Committee of Correspondence:—The resolutions were then sent to the Directors, and communicated to the Court of Proprietors, and then finally returned to Ministers, and, by them, brought forward, as the basis of the Act of Parliament.

Several events had occurred in India, which required that a considerable proportion of His Majesty's military forces should be stationed, permanently, in the East-Indies. — The restoration of the French settlements, at the Peace of 1783, had again given an opportunity to that restless government, to attempt, during the war which followed in Europe, to excite commotions among the native chiefs, that menaced the safety of the provinces which the Company had acquired, at the Peace of 1763; and though it is unnecessary to describe events,

events, which live in every man's recollection, it is impossible not to refer to the able policy of the venerable Mr. Hastings, and of Lord Cornwallis, and to the energy and wisdom of the Marquis Wellesley, which tended to confirm the English provinces in their allegiance, to expel the French, and to establish the paramount power of Britain in the Peninsula of India.

In the course of the wars, during this period, which were supported chiefly by the resources of the Company, conquests were made jointly by their armies, and by the King's troops. A political change, however, took place in the countries within the Company's limits; for the Cape of Good Hope, Ceylon, the French Islands, and recently the Dutch Islands, have been placed under the Crown, while the trade to them has been, in a great measure, conducted by the Company.

From the whole of these events and facts, regarding the Charters granted to the London and to the English Company, and the Charter to the United Company, extended and explained by a

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eries of Acts of Parliament, it follows, that the
 ‘ *Permanent Rights* of the Company are, *to be a*
 ‘ *Body Corporate, with successsion ; to purchase*
 ‘ *and alienate lands in Britain ; to form settle-*
 ‘ *ments, build forts, appoint governors, coin money*
 “ *in India, erect Courts of Judicature, and raise*
 “ *and maintain forces in India ; and to trade to*
 “ *the East Indies on a joint stock, though their*
 “ *exclusive privileges of trade should cease and*
 “ *determine ;*” and their exclusive privileges of
 trade were, by the Act 1793, so far accommod-
 ated to the demands of the private merchants,
 as to afford them a proportion of tonnage for
 their imports and exports, in the Company’s
 fleets, without incurring the risks of illicit trade
 to foreign countries, or of smuggling, by making
 the exports and imports subject to the regulations
 at the India House, and to the governments of
 the Company abroad.

The question, therefore, that is now to be
 decided is,—whether, the *Permanent Rights* of
 the Company can be taken from them ; and if
 this can be done, whether they have not a legal
 and equitable right to reimbursement, for the
 immense

immense sums which the acquisition of them has cost, for more than two centuries ?

Mr. Bruce next requested the attention of the Committee *to the Experience of more than two hundred years*, during which the commerce of Great Britain with the East-Indies, has been preserved to the realm, under exclusive privileges of trade, notwithstanding a succession of attempts at partial changes.

On this subject he observed, that it would be proper to advert to the circumstances, that the exclusive privileges were originally conferred on the Company, to enable the adventurers to obtain a fair return for the capital which they had embarked, for establishing a direct trade between England and the East-Indies; next to enable the Company to enter into a competition with foreign Companies, and to draw the balance of the East-India trade in favor of Britain; and, lastly, to enable them, through their trade, to realize, for the Public, the commercial advantages and revenues which were connected with the territorial possessions.

The first infringement made on the Company's exclusive privileges, was the licences granted to Michelbourn and others, by King James I., and to the Associations of Courten, &c., during the reign of Charles I., which terminated in successive losses to the Company's trade and factories, in the exposure of many of their servants to imprisonment and death, in the ruin of the licensed individuals and associations, and in the introduction of piracy in the Indian seas.

A second infringement on the Company's exclusive privileges took place during the Usurpation, by the Merchant Adventurers, who were allowed to fit out large equipments. By the interferences of those merchants, they not only overstocked the Eastern markets with European commodities, and lowered the prices of them, but raised the prices of Indian produce, and brought goods of inferior quality into the European markets; and this, notwithstanding the strong hand with which the Protector over-ruled the Dutch, obliged him, and his Council of State, to recognise the principle of preserving the

the trade of the East to the kingdom, by restoring to the East-India Company, their exclusive privileges.

An indirect attempt on the Company's exclusive privileges took place in 1679-80, by private English merchants fitting out ships at Cadiz, for trade to the East-Indies. The crews of these *interloping vessels*, (as they were then denominated,) frequently became pirates, which exposed the Company's factories to heavy losses, and their servants to great danger, from their persons and property being seized to make good the losses of the natives : hence this project, also, was laid aside.

Another infringement on the Company's exclusive privileges, took place during the reign of King William, who, from being partial to the Dutch establishment of several Companies, formed the English East-India Company, in the manner which has been described, with the object of creating a competition in trade, between the two Companies; but the experience of a very few years satisfied this wise sovereign, that by such

such competition, the East-India trade and factories might be lost, and induced him to recommend an Union, which (as has been observed) was effected in the reign of Queen Anne.

The next infringement, in point of time, on the Company's exclusive privileges, was *indirect*, arising from foreigners, combined with the speculations of English and Dutch smugglers.

After the Port of Ostend was declared a Free Port, in 1714, Dutch and English ships were cleared out, on Dutch and English capitals, and opened a trade, under the Imperial Flag, with the East-Indies, to the detriment of the British trade and revenue; the evils from which, formed the subject of remonstrances to the Court of Vienna, and of successive Acts of Parliament to prevent smuggling of Indian produce into England:

Another infringement on the Company's trade, arose from the circumstance of the Danes having factories in the Peninsula of India; and so far their trade was not an infringement of the exclusive privileges of the Company; but this suggested the project of fitting out ships
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at Copenhagen, on British capital, and obtaining returns, not from the sales of the cargoes only, but by *Respondentia Bonds*, for money advanced by British subjects in India, bearing a high interest, and payable nine months after the arrival of the ships at Copenhagen ; a project which diminished the British re-exports to the North, and produced a considerable smuggling of Indian goods into Britain.

The last infringement on the Company's exclusive privileges has arisen from the French Revolution, which has involved this country in war for more than twenty years, during which period, the Americans have interfered in the India and China trade, as *Neutrals*, without being exposed to the charges of maintaining settlements, and have been allowed the advantages of this trade, in the vain hope that it might prevent their co-operation with France, in its revolutionary wars; and it is certainly a hard circumstance, that the policy of the State should allow such an indulgence to our now enemy, and harder still, that their success, as *Neutrals*, under this

this indulgence, should be founded on by the petitioners against the Company, as a reason for divesting them of their privileges; though, in the exercise of those privileges, the Company have acquired the Indian Empire, and preserved to the kingdom almost the exclusive trade to the East-Indies.

Mr. Bruce stated, that his third object was, *an enumeration of what appeared to him to be the losses and dangers in India, and to the China trade, which a deviation from the existing system of Indian affairs might produce.*

The losses in India, he explained, might be considered, both as *commercial* and *political*.

The first commercial loss might be, that the *regular annual demand of the Company would be diminished, and the provision of investments would no longer be an encouragement to the cultivators and manufacturers of Indian produce.* This danger was best illustrated by a reference to former revolutions in India. After the fall of the court of Delhi, there remained no seat of luxury and magnificence for the consumption of the finer productions

productions of the East ; and it was the event of the establishment of the Company's power, that revived this demand for the produce, and manufactures of India:—The encouragement given by the Company's governments and servants to the natives, has placed them in a state of safety and prosperity, unknown under the arbitrary governments to which they had been subjected ; and, at the same time, prevented the irregular and dangerous interference of European adventurers with their superstitions and usages, who, without such controul as has been kept over them by the Company's servants, might have produced an anarchy leading to the loss of an empire, founded, as Mr. Hastings termed it, “ *on the breath of opinion.*”

A second commercial loss might be, the *depriving the natives of that pecuniary assistance which they, at present, receive, by advances of money from the Company's governments.*

It is this advance of money to the native cultivator, manufacturer, and merchant, that enables them to provide articles to be ready at the
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season of export, and thus affords a regular supply for the British and European markets;— This no private merchant could attempt, because, whether his capital be equal to such an undertaking or not, is not the question; for the natives, from habit, have a confidence in the Company's servants, which they cannot be supposed to place in strangers, as the private merchants would be, notwithstanding any regulation which the wisdom of government might devise.

A third commercial loss might be, *the interruption of the circuitous commerce of the Company in the countries within their limits*, which consists of a *Country Trade*, under regulations by government, which are fully understood. This arrangement enables the Company, though with frequent losses, or inconsiderable profit on particular articles, not only to supply the several parts of the Peninsula, but also to furnish to China, proportions of bullion and Indian articles, which have progressively lessened the demand for bullion from Europe, which that country, for many years,

years, would alone take, and which foreigners, particularly the Americans, are obliged to pay.

The last commercial loss might be, *the interruption, if not the total ruin of the China Trade*. The idea of opening the trade to India, but not to China, must have arisen with those only, who did not advert either to the existing relations between the Indian and the China markets, or to the peculiar and impracticable character of the Chinese government.—If the trade should be opened to India, and the exclusive trade to China be proposed to be continued with the Company, the scheme would be found unwise, if not impracticable ; both because the strictest regulations have been established by the Directors, and the Company's foreign governments, to prevent irregularities in the country ships which proceed from India to China ; and though these regulations have, in general, been effectual, yet the Company's supracargoes at Canton have been exposed to serious disputes with that singular government,

in consequence of occasional irregularities. It will be recollected, that the Chinese have established a company, of what are termed *Hong, or Security Merchants*, who are responsible to the government, and that the least irregularity requires the persons committing it to be seized and punished; or if he cannot be found, the punishment is inflicted on some other British subject. It is, therefore, the high character of the Company's servants, for regularity in their conduct and dealings, while they remain at Canton, that has alone preserved the trade, and no regulations that could be established in Britain, would be attended to by the Chinese government: hence this most valuable branch of the Company's trade would be endangered, if not lost. If the free traders should be allowed to pass the Straits of Malacca and Sunda, and to enter the Chinese seas, they not only would have opportunities of smuggling opium into China (which is prohibited by the Chinese government), but could obtain China produce, though of inferior quality, from the junks,

junks, and find places of deposit for them, both in the Spice Islands (the Moluccas and Bandas) and at the other Malay Islands, (Borneo, Celebes, &c.) where, as in former times, there might be a probability of piracy, which would break the connection established between the Company and the port of Canton, and bring disgrace on the British character.

If these *commercial losses* are probable, the *political losses* are *equally* to be apprehended.

In the first place, it would be impossible to preserve the *Allegiance of the Natives*, in the British Indian provinces, to any form of government, but that which they have been accustomed to consider as engrafted on the Mogul, or native establishments; and though the Company can act as feudatories of the native governments, it would be a difficult circumstance, indeed, to find any new body, subordinate to the Crown, in England, in which this feudatory character could be vested, on the extinction of the East-India Company;—and, therefore, though in theory, regulations might be framed for this purpose,
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the attempt to carry them into practice, by force, would produce that anarchy, which might terminate in the loss of the British possessions.

The introduction, in the next place, under any regulations, of adventurers not under controul, would necessarily produce *Colonization*. If the plan be to allow an entrance to the European traders to the principal seats of government only, the impossibility of preventing the entrance of individuals into the interior is obvious, and the consequences have been fully established, by the evidence before the House and the Committee.

The greatest, and perhaps the most obvious political loss, in the third place, would be, that of dismembering the *civil and commercial relations* by which the British possessions are, at present, maintained, and of alienating the *attachments and allegiance of the native military force*, by which their territories have been acquired and are still preserved. The fullest evidence has been obtained of the character of the natives,

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the simplicity of their habits, and their attachment to their usages ; and it has been an uniform instruction to the civil and military servants of the Company, on no occasion to offend against them. Whether the prejudices and the usages of the natives, or indeed of any other people, accord with European, or rather British, notions of propriety, is not the question ; for among every people, and in every age, prejudices and usages have been found an over-match for reason, and frequently for morality.

The last political loss would be, what is obvious at home ;—the loss of an *auxiliary marine*, which, in the hour of danger, has, on so many occasions, been an important addition to our navy, and contributed to our national safety ;—the loss of establishments, formed at the expence of many millions, for creating and preserving this marine ;—and the loss of a revenue (amounting, at this time, to about £4,500,000) from the Company's trade, collected with facility, and with moderate charges ;
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and it is yet to be ascertained, what compensation more than *one hundred thousand people* must receive, who are either directly employed under the Company, or indirectly supported by the exports they send to India and to China, and by the sale of the imports they bring from both countries ; without saying any thing farther, than by a reference to the capital stock of the East-India Company, amounting to the sum of twelve millions sterling, and subscribed for, in the year 1793, on a reliance on the continuance of the Company's government and trade.

Mr. Bruce next requested the attention of the Committée, to a few remarks on the *sources of the Applications for an Open Trade* ;—on the *proposed Resolutions*, printed by order of the House, on the 22d March 1813 ;—and on the *Evidence* subsequently laid before the House, by the Company.

The first source of these applications, as far as can be ascertained from facts, was *a supposed increase of Tonnage, Exports, and Imports*. It
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has been assumed as a fact, but without either estimate or evidence to support it, that the Open Trade to India, and subsequently to China, would rapidly tend to increase the tonnage to an indefinite extent. It has not, however, been even attempted to be shewn, either by estimate or evidence, that the ships of the private merchants, of 350 tons, from the river Thames, and much less the ships from the Out-ports, would equal the known tonnage of the Company. That they would do so, is mere assertion, and assertion by classes of petitioners, many of them inland, and none of them presuming on any thing, but that the free trade, would extend their shipping to an immense amount. It has not, in the same manner, been attempted to be shewn, either by estimate or otherwise, what the amount of the exports would be ; for not a single new article has been specified as intended to be exported. In like manner, it has been asserted, that there would be a great increase of the imports of Indian produce : but if Indian manufactures could be brought home,

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and sold in fair competition with our home manufactures, the free merchant and manufacturer would probably be soon as much at variance with each other, as they are now united against the East-India Company.

Another source of these applications is, the general right of all British subjects to trade to all countries, subject to the British power, or connected, by the relations of amity, with Britain.

Had the territorial possessions of the Company been, like our ancient North American Colonies, formed and maintained for centuries, by the British Government, and defended by the British arms, the general right of British subjects to trade to them would be undeniable; but the Indian possessions do not come under this description, for the ancient factories of the Company were purchased, or acquired, by cessions from the Native Powers, for valuable considerations. It is little more than half a century since the Indian possessions were conquered by the Company's arms, and administered

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on the basis of the native governments, of which they were the professed subordinates : and can an equal right be asserted by those, who have had no share in embarking either their property in acquiring such a territory, or risking their lives in preserving it, as by those who have actually acquired and preserved our Indian dominions ?

On the *proposed Resolutions*, Mr. Bruce observed, that he must confine himself entirely to those which were laid before the House, on the 22d March, the alterations, or additions to which, he had only been possessed of, for a few hours ; and then stated, that though the first Resolution proposed to continue the Company's privileges, the exceptions to it, in the subsequent Resolutions, so weakened those privileges, as to render the exercise of them impracticable. Is it to be understood by “ *the continuance of their existing privileges,*” that the Company's right of property to their ancient seats of trade, is to be admitted, and their claims to the territorial acquisitions waved, as in former Acts, and

that the exceptions in the subsequent Resolutions, referred to the trade only ?

2. That though the *exclusive trade in Tea* is, by the second Resolution, to remain with the Company, the other China exports (nankeens, raw-silks, &c.) are not specified. If the Open Traders are to be allowed to pass the Straits of Malacca to the Spice Islands, &c. they might then interfere, as has been stated, with the China trade, and thus not ~~only~~ all kinds of China exports, but even *Tea*, by illicit connections, between the Eastern Islands and the coasts of China, might become part of their homeward assortments, and thus most materially diminish the Company's sales, for home consumption, and the re-export of that valuable article: and it is remarkable, that no provision is made, in any of the Resolutions, for the same open sales and public competition at the Out-ports, which have been carried on, with so much benefit to the Public, by the East-India Company; nor is it specified, whether the usual exports from Eng-
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land to China, and from India to China, are to be, as at this time, exclusively carried on by the Company, or not. Can any security be given, that the Open Traders, if they are allowed to enter the China Seas, will not purchase Banca tin, at a cheaper rate than they can carry out the tin of Cornwall? Is it to be a provision, that they are to export Devonshire Long Ells, even at a loss; or is that export to be given up? and is there any security, that the Open Traders will return to Britain, and not go to North America, Spanish America, or even to ports in Europe, where they may sell both ship and cargo?

3. That the exception, in the third Resolution, which *lays open the trade to India to such ports as have warehouses, wet-docks, or basins, or may volunteer the building of them*, certainly renders the imports of the Company, from India, less, by the proportion or quantity which the Open Traders may import to the Out-ports; and if the capital stock of the Company is proposed to be employed in this trade, it will make the
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returns inadequate to pay, even the existing dividend on it.

4. That the *Appropriations of the Territorial Revenues in India*, by the fourth Resolution, (*viz.* to the payment of the civil and military establishments in India, and interest on the Indian debt) can leave but a small surplus, either for investment, or for remittances to China. Is it intended that the Company are to keep up their ~~com~~mercial establishments in India, when the commerce is to be divided between them and the Open Traders? If so, the proportion of trade which they are to carry on in India, and the China trade, would be liable to the same charges, as at this time; though the whole now yields to the Proprietors, little more than the legal interest of money in England.

5. That the *Appropriations of the Commercial Profits in England*, by the fifth and sixth Resolutions (*viz.* to the payment of bills of exchange, debts, interest, commercial charges, dividend of ten and a half per cent. on the capital stock, and

and reduction of the Indian Debt, and Bond Debt in England) seem to be utterly impracticable. It cannot be expected, that the Company can pay even their commercial charges in England, amounting to above £190,000 per annum, (including £22,000 per annum to the Commissioners for the Affairs of India) and the dividend of ten and a half per cent. on their stock, from the crippled trade to India, and from the profits on tea only, to say nothing of the other extensive appropriations; nor can Government suppose, that the India Proprietors, will feel their stock to be safe, if it is to be employed in a commerce so narrowed and so burdened; for, if they do so, an ultimate, if not an immediate bankruptcy must be the result.

6th. That by the eighth Resolution, the Company are *to be farther limited from granting pensions and gratuities to meritorious and deserving officers*, though this is the only mode they have left to them, of rewarding long and approved services. It need not be mentioned, that the Company have no honors to confer, but
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only such rewards as they may consider eminent services may merit; and if divested of this power, their servants would be left, in many instances, friendless, or perhaps in distress. If a provision of this description had formerly existed, the venerable Mr. Hastings, to whom may be ascribed the preservation of the conquests of Lord Clive, and who gave so impressive a proof at the bar, of talents and services, could not, in his own elegant language, have received that “bounty from the Company, from which he “now derived his subsistence.”

7th. By the Act of 1793, the appointment of Governors and Commanders-in-chief was left with the Company, as well as an express power of recall; but, by the ninth Resolution (March 22d 1813), though the appointment, nominally, is to remain with the Company, yet the King’s approbation is to be given under the Sign Manual, countersigned by the President of the Board of Commissionets; and it is not specified, that any power of recall, in case of mismanagement, is to be left to the Company: so that, in fact,

fact, a *Congé d'Elire* is to be issued to the Company to appoint, provided the King and the President approve ; but without leaving to the Company the selection of those persons who, from long and faithful services, might be presumed to be best qualified to fill those situations ; or the power of recalling those, who, in fact, were to be appointed independently of their choice, and whom they might find inadequate to the discharge of the first and most important duties.

On the subject of the Evidence laid before the House, Mr. Bruce observed, that though he had attended the examination of the witnesses, both in the House, and in the Committee, every day, he considered it to be impracticable to form a just opinion of the subject, till the whole of the evidence had been completed ;—nor did he conceive, that even the great Lord Chancellor Bacon would have undertaken to examine and decide on a body of evidence, consisting of nearly six hundred folio pages, in a few hours :—all, therefore, that an

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individual, like himself, could attempt, was to state the following general facts, which appeared to be established by this great body of evidence.

—That the administration of the British Indian Provinces had, hitherto, proceeded on a system engrafted on the ancient native governments; and, from the fixed character of the natives, had preserved the allegiance of our Indian subjects, and yielded a large and permanent revenue.

—That the regulations, which have hitherto been adopted, by the Company, had prevented the indiscriminate intercourse or interference of British subjects, or of Europeans, in general, with the prejudices of the natives, in favor of their ancient opinions, usages, and manners.

—That, from the fixed character of the natives, particularly the Hindoos, the produce and manufactures of India have been found equal to their wants and their desires; and that the climate, and their habits, afforded no prospect of an increase of demand for British goods; particularly when it has appeared, that British artists have
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settled at the different Presidencies, and employed native workmen, who can furnish the same articles at a cheaper rate than they can be imported from Britain; and, in fact, that British goods are chiefly, if not exclusively, purchased by the European inhabitants.

—That the export trade from Great-Britain had not only been equal to the demands in India, but, in general, so far above them, that, in many cases, the Company, and their naval officers, who carried out their little investments, freight free, and the Indian agents, were often obliged to sell the goods at and below prime cost.

—That the imports from India had, hitherto, notwithstanding all the heavy duties imposed on them, been equal, not only to the home consumption, but to the demands for re-exportation, though this branch of the trade, for reasons of state, had been materially injured by the *neutrality* allowed to the American traders.

—That the smuggling of cargoes, by the Company, on the evidence of the first revenue officers, was impracticable, as there existed no

temptation to make the attempt;—that smuggling had been farther prevented, by the trade being carried on in large ships, with the safeguards of the East-India docks and warehouses ; and that, from the lists of seizures, the smuggling had been chiefly detected in smaller articles, seized from the crews and passengers.

—That the vessels from the Out-ports, of three hundred and fifty tons, either in the outward or homeward voyages, would have greater facility in defrauding the revenue, by going to foreign ports to dispose of their cargoes, to the prejudice of the re-export trade, or by smuggling, in innumerable ways, into Great Britain and Ireland.

—That, from the positive evidence of the Revenue Officers of Customs and Excise, the smuggling of Indian and China produce will encrease, by dividing the trade between the river Thames and the Out-ports, at which the revenue cannot be so efficiently collected, as at the sales of the East-India Company.

Mr. Bruce concluded his observations, by asking, whether it would be wise, in the present convulsed state of Europe, and of the world, and in the actual state of the British resources and revenues, to interfere with such an old establishment, as that of the East-India Company ; if so, it was surely contrary to the practice of a nation, distinguished for resting all its institutions on experience, leading to improvements, not on theories in politics, or speculations in trade. The last twenty years, he observed, had shewn enough of theory and speculation, by the events which had desolated Europe ; and it would be a most cruel event, indeed, while the insidious interferences of foreigners have been unable to shake the foundations of our government, or of the institutions subordinate to it, if our own innovations should weaken the one, or destroy the other.

Supposing, however, that these evil forebodings should be realised, and that the Company should be dissolved, and their trade annihilated, the justice of the British Government will surely

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ly grant a full indemnity to the East-India Company, whose enterprize, conquests, and administration, have acquired and preserved the Indian empire; and to the proprietors of the shipping and establishments which have been formed, at the expence of many millions, under the conviction of the stability of the Company, and of the navigation of its ships and trade being confined to the river Thames. It would, to himself, be a melancholy reflection indeed, to have lived to see one political and financial error lose to the country its American Colonies, and to be convinced, that the proposed Resolutions, if passed into a law, in opposition to a most full and complete body of evidence, would, in a short time, probably lose its Indian Empire to Great Britain.

